



TESTIMONY OF ROBERT W. BURGESS

FOR

THE SOUTH CAROLINA PUBLIC SERVICE COMMISSION

DOCKET NO. 96-168-W/S - APPLICATION FOR RATE INCREASE

ORIGINAL  
POSTED  
11/13/96  
pao

IN RE: KIAWAH ISLAND UTILITY, INC.

1 Q. WOULD YOU PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND  
2 OCCUPATION?

3 A. My name is Robert W. Burgess and my business address is 111  
4 Doctor's Circle, Columbia, South Carolina. I am employed by  
5 the South Carolina Public Service Commission as a Rate  
6 Analyst.

7 Q. MR. BURGESS, WOULD YOU PLEASE DESCRIBE YOUR BUSINESS  
8 EXPERIENCE?

9 A. I have been employed by the South Carolina Public Service  
10 Commission in the Utilities Department since September, 1990.

11 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY INVOLVING KIAWAH ISLAND  
12 UTILITY, INC.?

13 A. The purpose of my testimony is to set forth, in summary  
14 form, the Staff's findings relative to the determination of  
15 the amount of additional operating revenues that would  
16 result from the implementation of the proposed schedules of  
17 rates, and also, the results of Staff's field investigation  
18 of service supplied by the Company.

19 Q. I SHOW YOU THE REPORT TITLED, "COMMISSION STAFF REPORT,  
20 KIAWAH ISLAND UTILITY, INC., SOUTH CAROLINA PUBLIC SERVICE  
21 COMMISSION, DOCKET NO. 96-168-W/S." ARE THE FINDINGS OF YOUR  
22 REVIEW CONTAINED IN THIS REPORT?

1 A. Yes, they are contained under the Water and Wastewater  
2 Department tab.

3 Q. WOULD YOU PLEASE EXPLAIN HOW YOU COMPILED THE INFORMATION  
4 IN YOUR REPORT?

5 A. By using the information provided by the Company in its  
6 Application, the Company's response to Staff's Data  
7 Requests and an audit of the Company's books and records,  
8 Staff was able to determine the amount of additional  
9 operating revenues which would be produced by the  
10 proposed rates.

11 Q. WOULD YOU PLEASE EXPLAIN Exhibit A OF YOUR REPORT?

12 A. Exhibit A, pages 1-13, is a summary of the Staff's  
13 review of the Company's present and proposed rates.

14 Q. WOULD YOU PLEASE EXPLAIN Exhibits B AND C OF YOUR REPORT?

15 A. Exhibit B, on page 14 of the report, summarizes the effect of  
16 the present and proposed rates on the Company's operating  
17 revenue. Under the present rates approved for Kiawah Island  
18 Utility, Inc. by Commission Order No. 92-1030, dated December  
19 15, 1992, in Docket No. 92-192-W/S, the Company's present  
20 revenue is \$1,939,465 for water and \$718,223 for sewer.  
21 Combined, the Company's present revenue is \$2,657,688. Using  
22 the proposed rates, the Company would receive \$2,298,780 in  
23 water revenue and \$846,632 in sewer revenue. Combined, the  
24 Company would receive \$3,145,412. This would result in an  
25 increase of \$359,315 or 18.53% in water revenue and an  
26 increase of \$128,409 or 17.88% in sewer revenue. Combined,  
27 the Company would receive an increase of \$487,724 or 18.35%.  
28 Exhibit C, on page 15, summarizes the effect of the proposed  
29 rates and charges on a customer's average water and sewer  
30 bill.

1 Q. WOULD YOU EXPLAIN Exhibit D OF YOUR REPORT?

2 A. Exhibit D, on pages 16-17, is the most recent Utilities  
3 Department Business Office Compliance Review Report  
4 conducted by the Staff for Kiawah Island Utility, Inc. The  
5 Company maintains records and reports which are available to  
6 its customers and to the Commission in compliance with the  
7 Rules and Regulations of the Commission.

8 Q. WOULD YOU EXPLAIN Exhibit E OF YOUR REPORT?

9 A. Exhibit E, on pages 18-20, contains the results  
10 of Staff's inspections of the water and sewer systems owned  
11 and operated by Kiawah Island Utility, Inc.

12 Q. DID STAFF CONDUCT A WATER AUDIT TO DETERMINE THE  
13 DIFFERENCE BETWEEN THE WATER PURCHASED AND THE WATER SOLD  
14 BY THE COMPANY?

15 A. Yes.

16 Q. WHAT WAS YOUR FINDING IN THE AUDIT?

17 A. First, Staff audited all accounts and determined all water  
18 that should have been metered was indeed metered. This  
19 included common ground irrigation, residential, commercial,  
20 golf courses and water used in the operation of the utility  
21 company.

22 Q. WAS ALL THIS WATER BILLED?

23 A. Yes.

24 Q. WHAT WAS THE DIFFERENCE IN THE WATER PURCHASED AND WATER  
25 BILLED?

26 A. Staff calculated the total "non-account water" to be 3.63%  
27 of water purchased.

1 Q. IS 3.63% CONSIDERED BY STAFF TO BE AN ACCEPTABLE AMOUNT FOR  
2 A WELL-MANAGED SYSTEM?  
3 A. Based on a prior Commission decision, the Company's  
4 non-account water is reasonable. In the Heater of Seabrook,  
5 Inc. Docket No. 90-124-W/S the Commission determined that  
6 a 7.54% loss was acceptable.  
7 Q. DOES THIS CONCLUDE YOUR TESTIMONY?  
8 A. Yes, it does.